

January 20, 2015
6:07 P.M.
Newport, Oregon

The City Council of the City of Newport met on the above date in the Council Chambers of the Newport City Hall. On roll call, Allen, Roumagoux, Swanson, Sawyer, Saelens, Engler, and Busby were present.

Staff present was City Manager Nebel, City Recorder Hawker, City Attorney Rich, Community Development Director Tokos, Finance Director Murzynsky, Public Works Director Gross, and Police Lieutenant Malloy.

PROCLAMATIONS, PRESENTATIONS, AND SPECIAL RECOGNITIONS

Sawyer made a PowerPoint presentation regarding the CERT program, and presented the following CERT program graduates with certificates of completion: Ann Barclay, Gilbert Le Cren, Frank Perdue, Tina Smith, and Jenna Walker. Absent, but receiving certificates of completion were: Kimberly Kimball, Amy Schones, Stanley Schones, and Karen Eibner.

CONSENT CALENDAR

The consent calendar consisted of the following items:

- A. Approval of City Council minutes from the organizational, final, oath of office, and regular meetings of January 5, 2015; and the joint City Council/Planning Commission work session of January 12, 2015.
- B. Ratification of the Mayor's reappointment of Michael Rickus to the Senior Advisory Committee for a term expiring on December 31, 2016.
- C. Ratification of the Mayor's appointments to the Public Arts Committee of Cynthia Jacobi, Bill Posner, and Tom Webb, for terms expiring on December 31, 2018.
- D. Acceptance of the resignation of Ginger Tibbles from the Senior Advisory Committee for a term expiring on December 31, 2015; and the resignation of Thomas Knott from the Airport Committee for a term expiring on December 31, 2015.

MOTION was made by Engler, seconded by Allen, to approve the consent calendar with the changes to the minutes as noted by Allen. The motion carried unanimously in a voice vote.

PUBLIC HEARING

Public Hearing and Possible Adoption of Ordinance No. 2058 - an Ordinance Repealing and Re-Enacting Chapter 4.15 of the Newport Municipal Code Related to the Licensing of Taxicabs and Taxicab Drivers. Hawker introduced the agenda item. Nebel reported that in the fall of 2013, the City Council initiated discussions on modifying the

application process for taxicab licensing. He stated that former City Attorney, Rob Connell, had recommended this process not occur at that time since there was a pending application under the old ordinance. He added that as a result, the revisions were put on hold for a period of time, and that after repeated contacts, the applicant did not respond to the city's request as to the status of their original application. He noted that the taxicab ordinance was reviewed by the Business License Work Group, and modifications were made prior to submission to Council. He added that a public hearing was held by the City Council, in November, on the proposed revisions to the taxicab licensing provisions. He noted that following that public hearing, Council opted to hold on any action on the ordinance until City Attorney Steve Rich could review it. He stated that the City Attorney has since reviewed the ordinance, and made several minor changes to it, as it was previously reviewed by Speer Hoyt.

Nebel reported that the most significant change to this ordinance is the shifting of the administration of taxicab endorsements from a Council action to an administrative action. He added that under the existing code, the City Manager is required to complete an investigation of applicants and submit to the Council a recommendation for allowance or denial of the application for the taxicab endorsement. He noted that currently, the City Council is required to conduct a public hearing as to whether to grant the endorsement, and the applicant is responsible for all costs of publishing notice of the hearing. He stated that the Council is also required to determine the financial responsibility of the applicant, determine that the color scheme of the taxis do not conflict with any currently operating taxis, and other specific issues. He noted that the draft ordinance deregulates this aspect of the licensing process, and treats a taxicab business license as an administrative function provided the applicant meets the minimum criteria of the ordinance.

Nebel reported that there were several changes to address temporary taxicabs, as well, and that temporary taxicabs would, if the ordinance is approved, go through the same screening process as regular cab license requests. He stated that they are required to provide the same dollar amount of insurance on their vehicles, but are exempted from the equipment requirements for permanent taxicab companies. He added that temporary taxicab driver permit holders are exempted from the requirements for an inspection by an automobile mechanic to certify the vehicle is in safe operating condition.

Nebel reported that a public hearing was held on this ordinance at the January 5, 2015 City Council meeting, and there was no public comment. He noted that Allen suggested several modifications to language to make the ordinance more consistent with the business license code, and this included providing for the same appeal processes as outlined for other business licenses in the code.

Nebel reported that Rich, working with Allen, reviewed the entire draft ordinance to address a number of issues including cleaning up and reorganizing definitions, and cleaning up terminology so that it is consistent throughout the ordinance. He added that a detailed summary of the changes is included in the report from Hawker. He noted that these changes have been incorporated in the copy that was included in the packet.

Roumagoux opened the public hearing on Ordinance No. 2058 at 6:22 P.M. She called for public comment. There was none.

Roumagoux closed the public hearing for Council deliberation at 6:23 P.M.

Busby asked how the taxicab and other ordinances would apply to Uber if it came to Newport. Rich reported that he would like to conduct additional research, but that based on circumstances, there might be various ways of addressing this issue. Allen reported that Rich had conferred with him on this ordinance, and that they both questioned why the requirement for inspection of vehicles, in 4.15.090, had to be performed by someone in Lincoln County. Council was in agreement that the "Lincoln County" requirement could be removed from the ordinance.

MOTION was made by Allen, seconded by Engler, to read Ordinance No. 2058, as amended tonight with language related to the servicing of taxicabs, an ordinance repealing and re-enacting Chapter 4.15 of the Newport Municipal Code, related to the licensing of taxicabs and taxicab drivers, by title only, and place for final passage. The motion carried unanimously in a voice vote. Hawker read the title of Ordinance No. 2058. Voting aye in a roll call vote on the adoption of Ordinance No. 2058 were Allen, Busby, Roumagoux, Swanson, Sawyer, Saelens, and Engler.

COMMUNICATIONS

From the Audit Committee - Status of the Audit for the 2013/2014 Fiscal Year.

Hawker introduced the agenda item. Nebel reported that Audit Committee Chair Allen will give a brief report on the status of the Audit Committee efforts related to the audit for the 2013/2014 fiscal year, and the initiation of a process to solicit auditing services in the future. He noted that the city was unable to meet its goal of having the audit completed and filed by December 31, 2014, and that the primary reason for this was due to personnel changes at the auditing firm. He stated that the individual responsible for the city's audit resigned his position with the firm in November, and that this resignation created a setback in completing the necessary work before December 31, 2014. He noted that the auditors have indicated that they are confident that the audit will be completed by the end of this month, and that the Audit Committee is anticipating making a presentation to the City Council and the Urban Renewal Agency at the second meeting in February for the fiscal year that ended June 30, 2014.

Nebel reported that the Audit Committee is working with city staff and developing a request for proposals for audit services for the next three years with the provision for two one year extensions. He stated that the RFP outlines the expectation that the city will be including a Comprehensive Annual Financial report (CAFR) for the fiscal year beginning 2016.

Allen reported that the Audit Committee met last week with the new auditor. He noted that during this meeting the Committee received a presentation on the URA audit. He added that the auditor committed to completing the city audit by the end of this month. He stated that the Audit Committee plans to meet on February 5 to review the audit, and that an audit presentation to the City Council should occur at the second meeting in February. It was reported that an RFP for auditing services has been prepared and will be issued soon.

From Verena Winter of HDR Engineering - Update on Big Creek Dam Study. Hawker introduced the agenda item. Nebel reported that Verena Winter, of HDR Engineering, will provide an update on the Big Creek Dam study that HDR Engineering has been completing on behalf of the city.

Verena Winter updated Council on the status of the Big Creek Dam study. She made a PowerPoint presentation that included an overview of the project, including: the background/timeline; explorations round 2; testing round 2; seismic analysis/modeling; and next steps. She responded to Council questions. Gross reported that since the city may spend millions on the dams, adequate information is needed on which to base decisions, and that the initial analysis was insufficient to make decisions of this magnitude.

From the City Attorney - Reconsideration and Possible Adoption of Ordinance No. 2073 as Amended - An Ordinance Repealing and Re-Enacting Chapter 4.05 of the Newport Municipal Code Relating to Business Licenses. Hawker introduced the agenda item. Nebel reported that at the January 5, 2015 City Council meeting, the Council adopted Ordinance No. 2073 which repealed and re-enacted Chapter 4.05 of the Newport Municipal Code relating to business licenses. He stated that following that meeting, he, Rich, and Hawker discussed the provision in which the fines for the business licenses would be set by resolution of the City Council. He noted that this issue was raised by Allen at the meeting, and that the City Recorder felt it would be more appropriate to rely on Chapter 1.50 of the Newport Municipal Code which establishes a civil penalty for all codes. He added that from his perspective, this achieves the same end result as setting it by resolution in that one ordinance can be modified should the Council choose to change these fines in the future. He stated that Allen also concurred that this would be an appropriate change. He noted that this way, the fines established in the business license code would rely on Chapter 1.50 of the Municipal Code. He added that the modification to the ordinance would be as follows: "4.05.065A - A violation of this Chapter shall constitute a civil violation of the laws of Newport and shall be prosecuted at the city's discretion by the filing of a complaint in municipal court or in an Oregon state court of proper jurisdiction. Any person found to have violated this Chapter shall be subject to a civil penalty as provided in Chapter 1.50 of the Newport Municipal Code."

Nebel reported that since this would be a reconsideration of action taken at the January 5 meeting, any Councilor who voted in favor of the ordinance can make a motion to reconsider the January 5 action of the City Council. He stated that there are no other changes to the ordinance, and if Council wishes to proceed with this change then a motion to reconsider would need to be approved by the Council first. He added that if that is approved, the Council can then consider readopting Ordinance No. 2073 with the modification to the language on how fines are established.

Rich reported that it is better to rely on the code provision for the imposition of a penalty, and that he recommends that in the future when a penalty is imposed by an ordinance, that it refer back to 1.50 of the Municipal Code.

Allen noted a minor change for consistency is to reference the penalty provision as 1.50.010 as 1.50.020 refers to traffic citations.

MOTION was made by Allen, seconded by Saelens, to reconsider the adoption of Ordinance No. 2073, adopted on January 5, 2015, relating to business licenses, to provide a consistent treatment of the penalty provisions established in the Municipal Code. The motion carried unanimously in a voice vote.

MOTION was made by Allen, seconded by Saelens, to read Ordinance No. 2073, repealing and re-enacting Chapter 4.05 of the Newport Municipal Code as amended

tonight, relating to business licenses, with the modification of incorporating the penalty provision established by the Municipal Code, by title only and place for final passage. The motion carried unanimously in a voice vote. Hawker read the title of Ordinance No. 2073. Voting aye on the adoption of Ordinance No.2073 were Engler, Allen, Busby, Sawyer, Swanson, Roumagoux, and Saelens.

CITY MANAGER'S REPORT

Consideration and Possible Adoption of Resolution No. 3703 Adopting Amended Council Rules. Hawker introduced the agenda item. Nebel reported that the City Council approved procedures for conducting this year's organizational meeting in December 2014. He stated that he had indicated that the procedures would be incorporated as an amendment to the City Council rules to provide guidelines to future Councils on holding organizational meetings. He added that in discussing this with Allen, it was determined that there were no rules for the Urban Renewal Agency. He noted that the Urban Renewal Agency met prior to the Council meeting to consider those rules, and made a modification, which will generally parallel the City Council rules. He stated that language has been added regarding the Local Contract Review Board, and that these two sections are included under a new section of the rules when the City Council acts as other city entities.

Nebel reported that the substantive changes to the rules include the addition of organizational meetings; the addition of a new section called "City Council Acting as Other Entities," which includes the Local Contract Review Board and the Urban Renewal Agency; and a section under General Council Rules for the orientation of new Councilors.

Nebel reported that there will be a future amendment to the Council Rules addressing the relationship of the Council to the City Attorney, and that this will replace the resolution that was enacted by the City Council when the city utilized contractual City Attorney services. He stated that once this discussion occurs, the resolution can be replaced with a provision in the Council Rules which governs the relationship between the Council and the City Attorney.

MOTION was made by Engler, seconded by Allen, to adopt Resolution No. 3703 adopting Council Rules as amended. The motion carried unanimously in a voice vote.

Consideration and Possible Adoption of Resolution No. 3702 Amending the Fees for Review of Land Use Actions. Hawker introduced the agenda item. Nebel reported that in 2009, the city conducted a comprehensive fee study as it related to various fees for the review of land use actions. He stated that as a result of that study, the City Council determined that it was appropriate to set a target of collecting 50% of the direct cost of administering various land use actions where costs are recovered through fees. He added that the fee adjustments were implemented over a four-year period, and that after the four-year period, the fees were to be adjusted by the Consumer Price Index. He noted that the only area in which the City Council opted not to recover 50% of the costs for administering these types of permits is in the area of signs since the costs for temporary signs and portable signs would be excessive based on the modest investment typically made for these types of signs. He added that all other rates have

been adjusted using the Consumer Price Index with this year's factor being a 1.3% increase in the fees for these purposes.

Busby asked how the city's fees compare with other cities of like size. Tokos noted that the city is on par with similar jurisdictions. Allen asked whether this is an ongoing adjustment, and Tokos noted that it is an annual adjustment.

MOTION was made by Sawyer, seconded by Swanson, to adopt Resolution No. 3702, a resolution that makes annual inflationary adjustments to land use fees within the City of Newport, in accordance with Resolution No. 3486, which established the basis for annually adjusting these fees. The motion carried unanimously in a voice vote.

Introduction of Building Official, Joseph Lease, and Discussion Regarding Departmental Changes. Hawker introduced the agenda item. Nebel reported that Joseph Lease has begun working for the city as its Building Official. He stated that with Lease' background, the city will be able to reduce its reliance on contractual inspection services.

Tokos reported that Joseph was the Building Official in San Luis Obispo and has a wealth of experience. He noted that Lease will have expanded office hours, and given his skill set is able to perform a broader range of Building Official and inspection tasks which will allow the city to scale back contractual services. Lease reported that he has been in this business for nearly 30 years, and that he appreciates the opportunity to serve the city and its citizens.

Status Report on Budget Schedule for 2015. Hawker introduced the agenda item. Nebel reported that staff is beginning the process of developing a budget for the 2015/2016 fiscal year. He stated that the packet contains a detailed budget calendar for this fiscal year. He added that the key dates for the City Council are:

1. Goal Setting Meeting with City Council and Department Heads, Monday, February 23, 2015 from 9:00 A.M. to 3:00 P.M.
2. Preliminary Meeting of the Budget Committee, Wednesday, March 18, 2015 at 6:00 P.M.
3. First Budget Committee Meeting, Wednesday, April 29, 2015 at 5:00 P.M.
4. Second Budget Committee Meeting, Wednesday, May 13, 2015 at 5:00 P.M.
5. Third Budget Committee Meeting, Wednesday, May 20, 2015 at 5:00 P.M.
6. Budget Public Hearing, Monday, June 15, 2015 at 6:00 P.M.

Nebel reported that one change from last year's schedule is that there are two weeks scheduled between the first and second Budget Committee meetings. He added that it is important to get through the initial budget review at the first meeting so that staff can provide the responses in time for the second meeting of the Budget Committee. He noted that the third meeting of the Budget Committee should be for final review and approval of the budget documents. He stated that he intends to utilize the same format that was used last year for reviewing the budget, noting that this includes a page-by-page review of the budget with individual members of the Budget Committee being able to propose an addition or deletion from the budget as proposed by the City Manager at the first meeting. He noted that the items are not debated at the first Budget Committee meeting, and at the second meeting, the City Manager and staff will bring back

responses to each of those items that have been included on the list of possible revision to the proposed budget. He stated that at this point, the Budget Committee will discuss and come to consensus as to whether an item should be added or deleted from the budget. He added that this process provides for a complete review of the budget documents prior to making any decision on modifications to that document, and that it expedites the flow of the meeting although the first meeting will be significantly longer than subsequent meetings. He asked Council to let him know if there are problems with the proposed meeting dates. He noted that currently, the Finance Department is working with various departments on the consolidation of line items. Nebel stated that he will have a history of the new consolidated line items. Allen asked whether Nebel plans to involve committees prior to the goal setting session. Nebel reported that he has asked committee staff to work with committees to prepare goals for the City Council to review when setting goals for the city. Allen asked about the status of the visioning process and how it might play into the goal setting session. Nebel noted that a recommendation for a visioning process might come from the Council goal setting session. Nebel reported that the process utilized last year would be used to set goals on February 23.

Status of Financial Report for the Fiscal Year Ending June 30, 2015. Hawker introduced the agenda item. Nebel reported that the Finance Department has compiled the year-end financial statements for the 2013/2014 fiscal year. He stated that Murzynsky has prepared a summary of the 2013/2014 actual end-of-year fund balances, and the fund balances projected for the development of the 2014/2015 fiscal year budget. He noted that overall, the estimated fund balances used for the current year's budget are relatively consistent with the estimates that were generated as part of the budget formulation process. He added that the general fund overall revenues exceeded the budgeted amount by \$63,593, and that expenditures were \$962,196 under the amounts appropriated during the 2013/2014 fiscal year. He stated that these are unaudited numbers, and that when the Audit Committee presents their report in February, the final audited numbers will be available.

Nebel reported that Murzynsky is planning to have the financial reports for the first six months of the current fiscal year available at the first meeting in February. He stated that the Finance Department is working to generate timely regular financial reports for staff and the Council on a regular basis throughout the fiscal year. He added that there has been a lot of effort to clean up processes to ensure that the financial reports are accurately depicting in revenues received and expenditures incurred to date. He noted that this has been problematic in the past since certain recurring expenditures may not have been accounted for in a timely fashion to reflect the expenditures incurred year-to-date by the close of that accounting period.

Nebel reported that staff is continuing to work on a capital outlay financial report. He stated that this work was delayed due to issues with the current auditors losing one of the key personnel working on the city audit for the 2013/2014 fiscal year which required Finance Department staff to recreate a number of documents that were requested by the new auditor. He added that this remains a high priority, and staff is hopeful that it can provide an accurate and understandable format on these projects in the next few months.

Murzynsky reported that financials should be available in February. Busby asked whether staff anticipates the first six months numbers of this year to be closer to budget

projections than those of last year. Nebel noted that he anticipates the first six months to be much closer to the budget numbers this year.

LOCAL CONTRACT REVIEW BOARD MEETING

The City Council, acting as the Local Contract Review Board, began its meeting at 7:44 P.M. On roll call, Allen, Engler, Busby, Roumagoux, Swanson, Saelens, and Sawyer were present.

Authorization to Award Contract to Central Coast Excavating for Repair of the Sanitary Sewer on Highway 101 at NE 15th Street. Hawker introduced the agenda item. Nebel reported that on December 22, 2014, the sanitary sewer backed up on NE 15th Street with sewage spilling out onto the street from a cleanout at a local business at that location. He stated that the sewer line in Highway 101 could not be opened with the city's sewer cleaning truck, and an emergency repair was requested of Central Coast Excavating that has equipment to work deep trenches on the highway. He noted that while the immediate blockage was addressed, it was determined that the sewer line had failed in Highway 101 and needed to be addressed. He added that the engineering division is proposing to address that sewer failure by installing a manhole at this location to eliminate a 90 degree bend in the sewer that allows the sewage to drop 18 feet into the deep sewer that runs under Highway 101. He stated that the estimated costs are expected to exceed the City Manager authorization of \$50,000. He noted that in this particular case, since we have been working with Central Coast Excavating on this project, the city's engineering division has recommended that continuing with them to complete this work. He added that the City Engineer requested a construction estimate for installing a new manhole, 18 feet deep, including labor, equipment, shoring, trucking, materials, traffic control, and certified payroll to meet prevailing wage requirements for this project as a sole source contract. A discussion ensued regarding the project cost and the city's purchasing policies.

MOTION was made by Allen, seconded by Sawyer, to authorize the City Manager to enter into a contract with Central Coast Excavating for the repair of a sanitary sewer line in Highway 101 at NE 15th Street in the amount of \$53,508.00. The motion carried unanimously in a voice vote.

Nebel displayed a package of drawings and writings that the Fishermen's Wives received from an elementary school in Canby related to saving the U.S. Coast Guard Air Facility in Newport. It was suggested that a letter of thanks be sent to the school. Busby noted that it might be worthwhile to forward that packet to the people with the same cause in the east.

The Local Contract Review Board meeting ended at 7:55 P.M., and the City Council resumed its regular meeting.

RESUME CITY COUNCIL MEETING

REPORTS FROM MAYOR AND COUNCIL

Roumagoux reported that she attended a retreat of the Oregon Mayor's Association. She noted that the group of seven meets quarterly and is comprised of a preponderance of Portland area mayors. She noted that the OMA annual conference will be held in Cottage Grove at the end of July. She added that several mayors were interested in aviation and airports, and that she brought information for Busby and Nebel.

Allen reported on the joint work session with the Planning Commission. He noted that the Planning Commission will review and make a recommendation on the URA Advisory Committee.

Allen reported that the FINE meeting scheduled for this evening conflicted with the City Council meeting due to the holiday. He noted that he will receive updates from this evening's FINE meeting.

Allen reported that the OCZMA will be meeting this Friday at the Best Western at 9:30 A.M. He noted that Gomberg, Roblan, Goldfarb, and Brett Brownscombe of ODF&W will be in attendance.

Engler reported that she attended the recent Solid Waste Advisory Committee meeting at which discussion ensued on: recovery rates; debris management plan; loss of fee collection; and the future of the group.

Engler reported that she attended the recent Nye Beach Parking Committee meeting at which Tokos presented a proposal for a parking study for each of the three districts. She noted that the parking districts will sunset if not renewed, and that no one is interested in returning to the "payment in lieu of parking" program.

Engler reported that the Nye Beach Merchants Association is busy organizing its annual events including: Mystery Weekend and the Banner Project. She noted that the group discussed the possibility of utilizing volunteers to enhance landscaping in Nye Beach.

Engler reported that she was unable to attend the Library Board meeting as it conflicted with the League of Oregon Cities "Elected Essentials" workshop. She noted that the workshop was valuable, and that the LOC is a great resource.

Busby reported that the Airport Committee met last week, and developed primary goals for the coming year. He stated that February 5 is the closing date for the Request for Expressions of Interest in operating the airport. Nebel noted that one expression of interest was received earlier in the day.

Swanson reported that she attended Leadership Lincoln last week, and that the program was wonderful. She added that the focus was health and human services, and the presenters were the human resources staff from the hospital and Georgia-Pacific.

It was noted that the joint meeting with the Lincoln County Commissioners is scheduled tomorrow evening.

Saelens reported that the Bicycle/Pedestrian Advisory Committee met recently and identified goals for City Council review.

Saelens reported that he met earlier today with the VAC Steering Committee. He noted that discussion focused on sources of revenue and expenses for the facility.

Saelens reported that the Parks and Recreation Advisory Committee meeting is scheduled for tomorrow.

Saelens reported that the information will be needed from Lincoln County cities for development of the debris management plan.

Sawyer reported that he attended a recent COG board meeting. He reviewed the officers and noted that dues had increased. He added that a tourism study indicated that Lincoln County has greater tourism than Linn or Benton Counties. He stated that Lowe's will be building a smaller store in Albany and asked whether this model might work for Lowe's or Home Depot to build in Newport.

Sawyer requested an excused absence from the joint meeting with the Lincoln County Commissioners. MOTION was made by Busby, seconded by Saelens, to excuse Sawyer from the joint meeting with the Lincoln County Commissioners. The motion carried unanimously in a voice vote.

Allen asked when the orientation materials provided to Engler could be shared with the remainder of the Council. Nebel reported that the materials are available at any time. He added that staff is trying to schedule ethics training with the OGEC as a part of a larger orientation. He noted that binders will be made available for all Councilors for use in training.

ADJOURNMENT

Having no further business, the meeting adjourned at 8:15 P.M.

Margaret M. Hawker, City Recorder

Sandra N. Roumagoux, Mayor